

**Item 1: Cover Page**

**Part 2A of Form ADV  
Firm Brochure**

November 29, 2018



SEC File No. 801-68497

21700 East Copley Drive, Suite 120  
Diamond Bar, CA 91765

phone: 909-860-9992  
website: [www.abridgepartnersllc.com](http://www.abridgepartnersllc.com)

This brochure provides information about the qualifications and business practices of Abridge Partners, LLC. If you have any questions about the contents of this brochure, please contact MaryAnn Lawson at 909-860-9992 or by email at [mlawson@abridgepartnersllc.com](mailto:mlawson@abridgepartnersllc.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. Registration with the SEC or state regulatory authority does not imply a certain level of skill or expertise.

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

## **Item 2: Material Changes**

This Firm Brochure is our disclosure document prepared according to regulatory requirements and rules. Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

## Item 3: Table of Contents

Item 1: Cover Page.....	1
Item 2: Material Changes.....	2
Item 3: Table of Contents.....	3
Item 4: Advisory Business.....	5
A. Abridge Partners, LLC .....	5
B. Advisory Services Offered .....	5
C. Client-Tailored Services and Client-Imposed Restrictions.....	7
D. Wrap Fee Programs.....	7
E. Client Assets Under Management .....	7
Item 5: Fees and Compensation .....	8
A. Methods of Compensation and Fee Schedule .....	8
B. Client Payment of Fees.....	11
C. Additional Client Fees Charged .....	11
D. Prepayment of Client Fees .....	12
E. External Compensation for the Sale of Securities to Clients.....	12
Item 6: Performance-Based Fees and Side-by-Side Management.....	13
Item 7: Types of Clients.....	14
Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss .....	15
A. Methods of Analysis and Investment Strategies .....	15
B. Investment Strategy and Method of Analysis Material Risks .....	19
C. Security-Specific Material Risks .....	21
Item 9: Disciplinary Information.....	22
A. Criminal or Civil Actions.....	22
B. Administrative Enforcement Proceedings.....	22
C. Self-Regulatory Organization Enforcement Proceedings .....	22
Item 10: Other Financial Industry Activities and Affiliations.....	23
A. Broker-Dealer or Representative Registration .....	23
B. Futures or Commodity Registration.....	23
C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest.....	23

D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest.....	24
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	26
A. Code of Ethics Description.....	26
B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest.....	26
C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest.....	26
D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest.....	27
Item 12: Brokerage Practices .....	28
A. Factors Used to Select Broker-Dealers for Client Transactions.....	28
B. Aggregating Securities Transactions for Client Accounts.....	32
Item 13: Review of Accounts .....	35
A. Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved.....	35
B. Review of Client Accounts on Non-Periodic Basis.....	35
C. Content of Client-Provided Reports and Frequency.....	35
Item 14: Client Referrals and Other Compensation.....	36
A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest.....	36
B. Advisory Firm Payments for Client Referrals.....	36
Item 15: Custody .....	37
Item 16: Investment Discretion.....	38
Item 17: Voting Client Securities.....	39
Item 18: Financial Information.....	40
A. Balance Sheet.....	40
B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients .....	40
C. Bankruptcy Petitions During the Past Ten Years .....	40

## Item 4: Advisory Business

### A. Abridge Partners, LLC

Abridge Partners, LLC ("Abridge Partners" and/or "the firm") is a limited liability company organized under the laws of the State of California. Robert M. Birgen and Michael Flanagan, Jr. are the firm's owners and acting principals. The firm operates from two offices located in Diamond Bar, California; and Middleton, Delaware. Abridge Partners is an SEC-registered investment adviser and has been offering investment advisory and financial planning services since 2007.

### B. Advisory Services Offered

#### B.1. Investment Consulting Services

We offer a number of investment advisory and consulting services. Each individual investment advisory representative ("advisor" or "advisory representative") of Abridge Partners may or may not provide all of these services to you, and your advisor is responsible for communicating with you which services will be performed.

These services include:

- Investment Data Gathering – We meet with you to assist in establishing your investment goals and objectives, focusing on your current and future economic needs.
- Asset Allocation Services – Asset allocation models are developed using your fact finding data in addition to focusing on your desired risk tolerances, asset preferences, investment objectives, expected returns, and time horizons. Using computer models, we assist you in evaluating different asset allocations and risk/return scenarios. Combinations of asset classes are modeled to create the proper allocation for each portfolio. Asset classes included in this analysis are domestic equities of different market capitalizations, non-U.S. equities, and various fixed income asset classes.
- Investment Policy Statement – We utilize the information obtained from you and through the model development to draft a written investment policy. This policy statement defines investment portfolio objectives, investment guidelines, asset allocation parameters, and benchmarks for ongoing performance monitoring and evaluation.
- Money Manager Selection – We have agreements with other third-party investment advisers who specialize in management of the various asset classes. We provide you with quantitative data regarding third-party manager's performance, consistency, and risk as well as other information about the manager and their investment management style. Factors considered in the selection of a third-party manager include but may not be limited to:
  - each individual advisory representative's preference for a particular manager;
  - your risk tolerance, goals, and objectives, as well as investment experience; and
  - the amount of your assets available for investment.

- Mutual Fund Selection – We may also assist you in creating a mutual fund portfolio to meet the desired asset allocation model. Each portfolio is designed to meet your individual needs, stated goals, and objectives. All funds purchased are no-load or load-waived mutual funds.
- Ongoing Money Manager Evaluation – We monitor the performance of your investment portfolios.
- We consider modifications in asset allocation and manager selection, and are responsible for arranging the purchase or sale of recommended funds.

For its discretionary asset management services, Abridge Partners receives a limited power of attorney to effect securities transactions on behalf of its clients that include securities and strategies described in Item 8 of this brochure.

After meeting with you, understanding your investment objectives, risk tolerances, time horizon, and your general overall financial circumstance, we will provide you with a recommended asset allocation, which will often be a blend of equities (stocks), fixed income (bonds) and cash. Abridge Partners commonly will recommend the services of unaffiliated third-party managers that specialize in the management of equity and fixed income securities.

In addition to providing Abridge Partners with information regarding your personal financial circumstances, investment objectives and tolerance for risk, you are required to provide us with any reasonable investment restrictions that should be imposed on the management of your portfolio, and to promptly notify us of any changes in such restrictions or in your personal financial circumstances, investment objectives, goals and tolerance for risk. We will remind you of your obligation to inform the firm of any such changes or any restrictions that should be imposed on the management of your account. We will also contact you at least annually to determine whether there have been any changes in your personal financial circumstances, investment objectives, and tolerance for risk.

### **B.2. Pension Consulting Services**

We provide services to pension and profit sharing plans which includes establishing plans and related documents through data gathering, assessment of participant's goals, meeting with plan participants, fund selection, and conducting education and enrollment meetings. The services may include a quarterly review of fund performance and an annual fund review meeting.

### **B.3. Financial Planning Services**

We also provide business continuity, estate planning, and executive benefits planning services. A report may be issued in association with the financial planning engagement. The preparation of the plan may necessitate that the client provide Abridge Partners with personal data such as family records, budgeting, personal liability, estate information, and additional financial goals.

As part of the planning process, Abridge Partners will work closely with the client's attorney, accountant, insurance agent, stockbroker, and/or other advisers, at the client's discretion. Otherwise, Abridge Partners suggests the client work closely with these outside professional

advisers independently. Implementation of financial plan recommendations is entirely at the client's discretion.

### **C. Client-Tailored Services and Client-Imposed Restrictions**

Each client's account will be managed on the basis of the client's financial situation and investment objectives and in accordance with any reasonable restrictions imposed by the client on the management of the account—for example, restricting the type or amount of security to be purchased in the portfolio.

### **D. Wrap Fee Programs**

Abridge Partners does not participate in wrap fee programs. (Wrap fee programs offer services for one all-inclusive fee.)

### **E. Client Assets Under Management**

As of December 31, 2017, Abridge Partners manages \$69,598,255 of discretionary assets and \$61,171,789 of non-discretionary assets.

## Item 5: Fees and Compensation

### A. Methods of Compensation and Fee Schedule

Abridge Partners offers its services on a fee-only basis. Fees are typically based upon the market value of the assets in your account on the last day of the previous quarter and may be calculated on a percentage basis, flat amount, or a combination thereof. All fees are negotiable.

Broker-dealers and other financial institutions that hold client accounts are referred to as custodians. The client's custodian, not Abridge Partners, determines the values of the assets in the portfolio.

#### A.1. Fees for Investment Consulting Services

Initial fees are based on the value of cash and securities on the date the custodian receives them and are prorated based upon the number of calendar days in the calendar quarter that the agreement is in effect. Abridge Partners' fee schedule is described below:

<u>Assets Under Management</u>	<u>Annual Fee Rate*</u>
\$0 to \$3,000,000	\$0 + 1.00%
\$3,000,001 to \$6,000,000	\$30,000 + 0.85%
\$6,000,001 to \$10,000,000	\$55,500 + 0.75%
\$10,000,001 to \$20,000,000	\$85,500 + 0.65%
\$20,000,001 and over	\$150,500 + 0.20%

\*There will be a \$15,000 minimum fee, applicable only to portfolios of less than \$1.5 million. For portfolio values less than \$1.5 million, clients may be able to obtain comparable services at a lower cost elsewhere. All fees and minimums are negotiable at our sole discretion. Quarterly performance reports are available for an additional fee of \$1,500 per year for accounts below \$1.5 million.

Clients must authorize to have their custodian pay the firm directly by charging the client's account. This authorization must be provided in writing. Generally the annual fee is charged quarterly in advance based upon the net assets in the account at the end of the previous quarter.

A client investment advisory agreement may be canceled by either party upon 30 days' written notice to the other. Upon termination, any unearned, prepaid fees will be promptly refunded. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

#### A.1.a. Important Disclosure – Custodian Investment Programs

Please be advised that the firm utilizes certain custodians/broker-dealers. Under these arrangements we can access certain investment programs offered by our custodian that offer certain compensation and fee structures that create conflicts of interest of which clients need to be aware. Please note the following:



***Limitation on Mutual Fund Universe for Custodian Investment Programs:*** Please note that as a matter of policy we prohibit the receipt of revenue share fees from any mutual funds utilized for our advisory clients' portfolios. Nonetheless, if the firm decides to take these 12b-1 fees in the future, please note the following: There are certain programs offered by our custodian/broker-dealer in which the firm participates that limit the types of mutual funds and mutual fund share classes to those in which our custodian has negotiated the receipt of 12b-1 and/or other revenue sharing fee payments from the mutual fund issuer or sponsor. As such, a client's investment options may be limited in certain of these programs to those mutual funds and/or mutual fund share classes that pay 12b-1 fees and other revenue sharing fee payments, and the client should be aware that the firm is not selecting from among all mutual funds available in the marketplace when recommending mutual funds to the client. Such fees are deducted from the net asset value of the mutual fund and generally, all things being equal, cause the fund to earn lower rates of return than those mutual funds that do not pay revenue sharing fees. The client is under no obligation to utilize such programs or mutual funds. Although many factors will influence the type of fund to be used, the client should discuss with their investment adviser representative whether a share class from a comparable mutual fund with a more favorable return to investors is available that does not include the payment of any 12b-1 or revenue sharing fees given the client's individual needs and priorities and anticipated transaction costs. In addition, the receipt of such fees can create conflicts of interest in instances (i) where our adviser representative is also licensed as a registered representative of a broker-dealer and receives a portion of 12b-1 and or revenue sharing fees as compensation – such compensation creates an incentive for the investment adviser representative to use programs which utilize funds that pay such additional compensation; and (ii) where the broker-dealer receives the entirety of the 12b-1 and/or revenue sharing fees and takes the receipt of such fees into consideration in terms of benefits it may elect to provide to the firm, even though such benefits may or may not benefit some or all of the firm clients.

***Additional Disclosure Concerning Wrap Programs:*** In addition, our custodian/broker-dealer may offer certain wrap fee programs that (i) allow our investment adviser representatives to select mutual fund classes that either have no transaction fee costs associated with them but include embedded 12b-1 fees that lower the investor's return ("sometimes referred to as "A-Shares," depending on the mutual fund issuer), or (ii) allow the use of mutual fund classes that have transaction fees associated with them but do not carry embedded 12b-1 fees (sometimes referred to as "I-Shares," depending on the mutual fund sponsor). Our wrap fee programs offer investment services and related transaction services for one all-inclusive fee (except as may be described elsewhere in this Brochure). The trading costs are typically absorbed by the firm and/or the investment representative. If a client's account holds A-Shares within a wrap fee program, the firm and/or its investment adviser representative avoids paying the transaction fees charged by other mutual fund classes, which in effect decreases the firm's costs and increases its revenues from the account. Effectively the cost is transferred to the client from the firm in the form of a lower rate of return on the specific mutual fund. This creates an incentive for the firm or investment adviser to utilize such funds as opposed to those funds that may be equally appropriate for a client but do not carry the additional cost of

12b-1 fees borne by the client. As a policy matter, the firm does not allow funds that impose 12b-1 or revenue sharing fees on the client's investment within its wrap fee programs. Should a client prefer an A-Share class or mutual fund share class that has embedded 12b-1 and/or revenue sharing fees, then the utilization of such funds within the wrap fee program requires specific written client consent acknowledging the conflict. Clients should understand and discuss with their investment adviser representative the types of mutual fund share classes available in the wrap fee program and the basis for using one share class over another in accordance with their individual circumstances and priorities.

## **A.2. Fees for Pension Consulting Services**

Abridge Partners' fee schedule for pension consulting services is described below:

<u>Assets Under Management</u>	<u>Annual Fee Rate*</u>
\$0 to \$3,000,000	1.00%
\$3,000,001 to \$6,000,000	0.85%
\$6,000,001 to \$10,000,000	0.75%
\$10,000,001 to \$20,000,000	0.65%
\$20,000,001 and over	0.55%

\*There will be a \$15,000 minimum fee, applicable only to portfolios of less than \$1.5 million. For portfolio values less than \$1.5 million, clients may be able to obtain comparable services at a lower cost elsewhere. All fees and minimums are negotiable at our sole discretion.

Clients must authorize to have their custodian pay the firm directly by charging the client's account. This authorization must be provided in writing. Generally the annual fee is charged quarterly in advance based upon the net assets in the account at the end of the previous quarter.

A client investment advisory agreement may be terminated by either party upon 30 days' written notice to the other. Upon termination, any unearned, prepaid fees will be promptly refunded. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

## **A.3. Fees for Financial Planning Services**

All fees are negotiable. Compensation is arranged by your advisory representative according to your individual circumstance. Hourly fees vary from \$125 to \$500, with fixed fees ranging from \$500 to \$50,000. Clients may also negotiate an hourly fee not to exceed a specific total amount. Fees are based on the experience level of the individual creating the plan and the complexity of the project. Payment of the fees is negotiated at the time of engagement.

Abridge Partners may require the entire fee up front or may require a deposit ranging between 30% and 50% of the total fee at the beginning of the project based upon the fixed fee or a reasonable estimation of the total hourly fee. If a deposit is collected, the remainder of the fee may be due either within sixty (60) days of signing the agreement or upon completion of the plan as specified in the planning agreement.

For hourly contracts, if upon completion of the project there is a difference between the actual amount of time spent and the total hourly estimate, any overpayment of fees will be promptly refunded to the client. Clients may also be billed on a monthly basis as fees are incurred or upon completion of the project. It is expected that all projects will be completed within six months from execution of the planning agreement. Similar financial planning services may be available elsewhere for a lower cost to the client.

A client financial planning agreement may be canceled by either party upon 30 days' written notice to the other. If the client or advisor terminates the contract, any fees paid in advance will be refunded on a pro-rata basis. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

## **B. Client Payment of Fees**

Abridge Partners generally requires clients to authorize the direct debit of fees from their accounts. Exceptions may be granted subject to the firm's consent for clients to be billed directly for the fees. For directly debited fees, the custodian's periodic statements will show each fee deduction from the account. Clients may withdraw this authorization for direct billing of these fees at any time by notifying Abridge Partners or their custodian in writing.

Abridge Partners will deduct advisory fees directly from the client's account provided that (i) the client provides written authorization to the qualified custodian, and (ii) the qualified custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account.

The client is responsible for verifying the accuracy of the fee calculation, as the client's custodian will not verify the calculation.

## **C. Additional Client Fees Charged**

All fees paid for investment advisory services are separate and distinct from the fees and expenses charged by exchange-traded funds, mutual funds, separate account managers, private placement, pooled investment vehicles, broker-dealers, and custodians retained by clients. Such fees and expenses are described in each exchange-traded fund and mutual fund's prospectus, each separate account manager's Form ADV and Brochure and Brochure Supplement or similar disclosure statement, each private placement or pooled investment vehicle's confidential offering memoranda, and by any broker-dealer or custodian retained by the client. Clients are advised to read these materials carefully before investing. If a mutual fund also imposes sales charges, a client may pay an initial or deferred sales charge as further described in the mutual fund's prospectus. A client using Abridge Partners may be precluded from using certain mutual funds or separate account managers because they may not be offered by the client's custodian.

Please refer to the Brokerage Practices section (Item 12) for additional information regarding the firm's brokerage practices.

## **D. Prepayment of Client Fees**

Generally the annual fee is charged quarterly in advance based upon the net assets in the account at the end of the previous quarter. Abridge Partners' fees will either be paid directly by the client or disbursed to Abridge Partners by the qualified custodian of the client's investment accounts, subject to prior written consent of the client. The custodian will deliver directly to the client an account statement, at least quarterly, showing all investment and transaction activity for the period, including fee disbursements from the account.

A client investment advisory agreement may be terminated by either party upon 30 days' written notice to the other. Upon termination, any unearned, prepaid fees will be promptly refunded. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

For financial planning service, Abridge Partners may require the entire fee up front or may require a deposit ranging between 30% and 50% of the total fee at the beginning of the project based upon the fixed fee or a reasonable estimation of the total hourly fee. If a deposit is collected, the remainder of the fee may be due either within sixty (60) days of signing the agreement or upon completion of the plan as specified in the planning agreement. For hourly contracts, if upon completion of the project there is a difference between the actual amount of time spent and the total hourly estimate, any overpayment of fees will be promptly refunded to the client. Clients may also be billed on a monthly basis as fees are incurred or upon completion of the project. A client financial planning agreement may be canceled by either party upon 30 days' written notice to the other. If the client or advisor terminates the contract, any fees paid in advance will be refunded on a pro-rata basis. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

## **E. External Compensation for the Sale of Securities to Clients**

Abridge Partners' advisory representatives are also registered representatives of LPL Financial, LLC ("LPL"), a FINRA member broker-dealer. If the client chooses to implement a financial plan through LPL, commissions may be earned by the financial advisor in addition to any fees paid for advisory services. In addition, the financial advisor may be entitled to a portion of the internal expense fees (such as so-called 12b-1 fees) charged by mutual funds. Thus, any recommendation to utilize LPL Financial for custodial and/or brokerage services represents a potential conflict of interest due to the potential for additional compensation that could be earned by Abridge Partners.

Abridge Partners' advisory professionals are compensated primarily through a salary and bonus structure. Abridge Partners' advisory professionals may be paid sales, service or administrative fees for the sale of mutual funds or other investment products. Abridge Partners' advisory professionals may receive commission-based compensation for the sale of securities and insurance products. Please see Item 10.C. for detailed information and conflicts of interest.

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

Performance-based fees are designed to give a portion of the realized and unrealized returns of an investment to the investment manager as a reward for positive performance. These fees are generally a percentage of the profits earned on the investor's investments. Abridge Partners does not assess or charge performance-based fees for any of its advisory or consulting services and therefore has no economic incentive to manage clients' portfolios in any way other than what is in their best interests.

## **Item 7: Types of Clients**

Abridge Partners provides advisory services primarily to high-net worth individuals, including their trusts, estates, and retirement accounts. Abridge Partners also provides services to charitable organizations, corporations or similar business entities, including their pension and profit sharing plans. A minimum fee of \$15,000 may apply based on the level of service provided; this minimum fee applies only to portfolios of less than \$1.5 million. For portfolio values less than \$1.5 million, clients may be able to obtain comparable services at a lower cost elsewhere. Abridge Partners, at its sole discretion, may waive this minimum requirement.

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

### **A. Methods of Analysis and Investment Strategies**

#### **A.1. Methods of Analysis**

We select specific investments for your portfolios through the use of fundamental analysis. Fundamental analysis is a method of evaluating a company that has issued a security by attempting to measure the value of its underlying assets. It entails studying overall economic and industry conditions as well as the financial condition and the quality of the company's management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the issuing company's security to determine whether to purchase, sell or hold the security.

#### **A.2. Investment Strategies**

After meeting with you, understanding your investment objectives, risk tolerances, time horizon, and your general overall financial circumstance, we will provide you with a recommended asset allocation, which will often be a blend of equities (stocks), fixed income (bonds) and cash. Abridge Partners commonly will recommend the services of unaffiliated third-party managers that specialize in the management of equity and fixed income securities.

Abridge Partners is an active fee-paying, member of the Independent Adviser Group ("IAG") which operates as a division of Callan Associates, Inc., an unaffiliated SEC-registered investment adviser ("Callan"). Using the tools provided by Callan/IAG we can identify and recommend to you third-party investment manager(s) to meet your asset allocation needs. These unaffiliated managers may manage your assets on a commingled basis through mutual funds or on an individual separate account basis. Callan's IAG platform provides Abridge Partners and you with:

- Investment manager profiles
- Quantitative screening
- Qualitative screening
- Ongoing performance monitoring
- Pre-negotiated access to select managers

In addition, Callan/IAG provides Abridge Partners with ongoing training and marketing support. Our clients incur no additional costs or expenses for our membership with the IAG.

For clients whose assets are on the Callan's unified managed account ("UMA") program and specifically its overlay portfolio management ("OPM") platform, Callan may reduce the annual fee owed by Abridge

Partners to Callan in an amount equal to the management fees paid to Callan by clients. While the existence of such an arrangement creates an incentive for Abridge Partners to refer clients to managers on the OPM platform, we will nonetheless only make such a recommendation when suitable for client's needs. Fees paid to third-party managers on the OPM platform shall be

reasonable and customary, yet may in some instances be higher than those fees paid by non-UMA clients.

Equity or stock managers will be identified based upon their investment focus (e.g. stock of large, medium, or small market capitalization companies) and style (e.g. growth versus equity). Through our Callan/IAI participation, Abridge Partners monitors its recommended managers and a pool of prospective managers in order to help ensure that these managers are performing as identified. Commonly contingent upon the amount of investible assets, our recommended managers may engage in individual stock selection on an account-by-account basis or may manage assets on a pooled basis, such as through mutual funds or exchange traded funds ("ETFs"). In addition, select third-party, separate account managers may impose minimum investment amounts that are subject to change and may, in some instances, necessitate closing of an account in the case of a higher account minimum that cannot be met.

Fixed income (bond) managers are selected based upon their identified investment focus such as core, high-yield, municipal bonds, defensive, and even international/global strategies.

Our investment strategies may include long-term and short-term purchases, trading (securities sold within 30 days) and sales, and the use of margin. You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio.

### **A.3. Risk of Loss**

Investing in securities involves risk of loss that all clients should be prepared to bear. As with all investments, there are inherent, unavoidable and often unforeseeable risks in investing in securities. These risks will vary depending on the nature of the investment, the strategy pursued, the type of instrument used to pursue or give effect to that strategy, the conditions and performance of the U.S. and global economies, as well as the performance/financial condition of the individual company or entity issuing the security. As with all investments, the value of the investment at the time of sale will fluctuate and might be greater or less than the value at the time of purchase. Primary risks inherent in investing in the types of securities used for client accounts include, but are not limited to, risk of loss of principal; interest-rate risk; credit risk; reinvestment risk; economic risk; political risks and currency risk (principally for foreign securities); liquidity risk; risk of default; inflation and market volatility in general.

While Abridge Partners seeks to assess the merits of investing in a particular security or recommending a third-party investment manager based upon an assessment of the perceived risks and potential rewards, there are no assurances that our assessments will be correct or that subsequent events or company, market, or investment manager changes will not render the assessment incorrect at a later time.

### **A.4. Important Disclosure – Custodian Investment Programs**

Please be advised that the firm utilizes certain custodians/broker-dealers. Under these arrangements we can access certain investment programs offered by our custodian that offer certain compensation and fee structures that create conflicts of interest of which clients need to be aware. Please see Item 5.A. of this Brochure for detailed information.



### **A.5. Material Risks of Investment Instruments**

Abridge Partners may invest in open-end mutual funds and exchange-traded funds for the vast majority of its clients. In addition, for certain clients, Abridge Partners may effect transactions in the following types of securities:

- Equity securities
- Mutual fund securities
- Exchange-traded funds
- Fixed income securities
- Corporate debt securities, commercial paper, and certificates of deposit
- Municipal securities

#### **A.5.a. Equity Securities**

Investing in individual companies involves inherent risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.

#### **A.5.b. Mutual Fund Securities**

Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.

#### **A.5.c Exchange-Traded Funds ("ETFs")**

ETFs are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. Some examples of ETFs are SPDRs<sup>®</sup>, streetTRACKS<sup>®</sup>, DIAMONDS<sup>SM</sup>, NASDAQ 100 Index Tracking Stock<sup>SM</sup> ("QQQs<sup>SM</sup>") iShares<sup>®</sup> and VIPERs<sup>®</sup>. The funds could purchase an ETF to gain exposure to a portion of the U.S. or foreign market. The funds, as a shareholder of another investment company, will bear their pro-rata portion of the other investment company's advisory fee and other expenses, in addition to their own expenses.

Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by

hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral and the liquidity of the supporting collateral.

Further, the use of leverage (i.e., employing the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price of the ETF's underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

#### **A.5.d. Fixed Income Securities**

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign) and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds have liquidity and currency risk.

#### **A.5.e. Corporate Debt, Commercial Paper and Certificates of Deposit**

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign) and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds also have liquidity and currency risk.

Commercial paper and certificates of deposit are generally considered safe instruments, although they are subject to the level of general interest rates, the credit quality of the issuing bank and the length of maturity. With respect to certificates of deposit, depending on the length of maturity there can be prepayment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

#### **A.5.f. Municipal Securities**

Municipal securities carry additional risks than those of corporate and bank-sponsored debt securities described above. These risks include the municipality's ability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally tax free at the federal level, but may be taxable in individual states other than the state in which both the investor and municipal issuer is domiciled.

## **B. Investment Strategy and Method of Analysis Material Risks**

Our investment strategy is custom-tailored to the client's goals, investment objectives, risk tolerance, and personal and financial circumstances.

### **B.1. Margin Leverage**

Although Abridge Partners, as a general business practice, does not utilize leverage, there may be instances in which exchange-traded funds, other separate account managers and, in very limited circumstances, Abridge Partners will utilize leverage. In this regard please review the following:

The use of margin leverage enhances the overall risk of investment gain and loss to the client's investment portfolio. For example, investors are able to control \$2 of a security for \$1. So if the price of a security rises by \$1, the investor earns a 100% return on their investment. Conversely, if the security declines by \$.50, then the investor loses 50% of their investment.

The use of margin leverage entails borrowing, which results in additional interest costs to the investor.

Broker-dealers who carry customer accounts require a minimum equity requirement when clients utilize margin leverage. The minimum equity requirement is stated as a percentage of the value of the underlying collateral security with an absolute minimum dollar requirement. For example, if the price of a security declines in value to the point where the excess equity used to satisfy the minimum requirement dissipates, the broker-dealer will require the client to deposit additional collateral to the account in the form of cash or marketable securities. A deposit of securities to the account will require a larger deposit, as the security being deposited is included in the computation of the minimum equity requirement. In addition, when leverage is utilized and the client needs to withdraw cash, the client must sell a disproportionate amount of collateral securities to release enough cash to satisfy the withdrawal amount based upon similar reasoning as cited above.

Regulations concerning the use of margin leverage are established by the Federal Reserve Board and vary if the client's account is held at a broker-dealer versus a bank custodian. Broker-dealers and bank custodians may apply more stringent rules as they deem necessary.

### **B.2. Short-Term Trading**

Although Abridge Partners, as a general business practice, does not utilize short-term trading, there may be instances in which short-term trading may be necessary or an appropriate strategy. In this regard, please read the following:

There is an inherent risk for clients who trade frequently in that high-frequency trading creates substantial transaction costs that in the aggregate could negatively impact account performance.

### **B.3. Short Selling**

Abridge Partners generally does not engage in short selling but reserves the right to do so in the exercise of its sole judgment. Short selling involves the sale of a security that is borrowed rather than owned. When a short sale is effected, the investor is expecting the price of the security to decline in value so that a purchase or closeout of the short sale can be effected at a significantly lower price. The primary risks of effecting short sales is the availability to borrow the stock, the unlimited potential for loss, and the requirement to fund any difference between the short credit balance and the market value of the security.

### **B.4. Option Strategies**

Various option strategies give the holder the right to acquire or sell underlying securities at the contract strike price up until expiration of the option. Each contract is worth 100 shares of the underlying security. Options entail greater risk but allow an investor to have market exposure to a particular security or group of securities without the capital commitment required to purchase the underlying security or groups of securities. In addition, options allow investors to hedge security positions held in the portfolio. For detailed information on the use of options and option strategies, please contact the Options Clearing Corporation for the current Options Risk Disclosure Statement.

Abridge Partners as part of its investment strategy may employ the following option strategies:

- Covered call writing
- Long call options purchases
- Long put options purchases

#### **B.4.a. Covered Call Writing**

Covered call writing is the sale of in-, at-, or out-of-the-money call option against a long security position held in the client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading velocity, transaction costs and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

#### **B.4.b. Long Call Option Purchases**

Long call option purchases allow the option holder to be exposed to the general market characteristics of a security without the outlay of capital necessary to own the security. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

#### **B.4.c. Long Put Option Purchases**

Long put option purchases allow the option holder to sell or “put” the underlying security at the contract strike price at a future date. If the price of the underlying security declines in

value, the value of the long put option increases. In this way long puts are often used to hedge a long stock position. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

#### **B.4.g. Equity Collar**

A collar combines both a cap and a floor. A cap gives the purchaser of the cap the right (for a premium payment), but not the obligation, to receive the difference in the cost on some amount when a specified index rises above the specified "cap rate." A floor is the opposite of a cap—it gives the purchaser of the floor the right (for a premium payment), but not the obligation, to receive the difference in interest payable on an amount when a specified index falls below the specified "floor rate." A collar involving stock is called an "equity collar." In a collar transaction, the buyer of the collar purchases a cap while selling a floor indexed to the same rate or asset. A zero-cost collar results when the premium earned by selling a floor exactly offsets the cap premium.

#### **B.4.h. Long Straddle**

A long straddle is the purchase of a long call and a long put with the same underlying security, expiration date and strike price. This is a speculative trade that may be profitable when volatility is high and will result in a loss when prices of the underlying security are relatively stable.

### **C. Security-Specific Material Risks**

There is an inherent risk for clients who have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, one investment manager, one type of investment instrument (equities versus fixed income). Clients who have diversified portfolios, as a general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There is nothing to report on this item.

### **B. Administrative Enforcement Proceedings**

There is nothing to report on this item.

### **C. Self-Regulatory Organization Enforcement Proceedings**

There is nothing to report on this item.

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

### **A. Broker-Dealer or Representative Registration**

Members and registered advisory personnel of Abridge Partners are registered representatives of LPL Financial, LLC ("LPL"), a FINRA-registered broker-dealer and member of SIPC. LPL is a financial services company engaged in the sale of investment products.

As a result of Abridge Partners members and registered professionals' affiliation with LPL, such professionals, in their capacity as registered representatives of LPL, are subject to the general oversight of LPL and the Financial Industry Regulatory Authority Inc. ("FINRA"). As such, clients of Abridge Partners should understand that their personal and account information is available to FINRA and LPL for the fulfillment of their regulatory oversight obligations and duties.

### **B. Futures or Commodity Registration**

Neither Abridge Partners nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator or commodity trading advisor and do not have an application to register pending.

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

#### **C.1. Broker-Dealer Registration**

Our advisory representatives are also registered representatives of LPL. If you choose to implement your financial plan through LPL, commissions may be earned by your financial advisor in addition to any fees paid for advisory services. In addition, the financial advisor may be entitled to a portion of the internal expense fees (such as so-called 12b-1 fees) charged by mutual funds. Thus, any recommendation to utilize LPL for custodial and/or brokerage services represents a potential conflict of interest due to the potential for additional compensation that could be earned by Abridge Partners.

As a result of Abridge Partners members and registered professionals' affiliation with LPL, such professionals, in their capacity as registered representatives of LPL, are subject to the general oversight of LPL and the Financial Industry Regulatory Authority Inc. ("FINRA"). As such, clients of Abridge Partners should understand that their personal and account information is available to FINRA and LPL for the fulfillment of their regulatory oversight obligations and duties.

Our advisory representatives may also recommend various asset management firms through their affiliation with LPL. If you establish an investment advisory relationship with one of these firms, our financial advisors may share in the advisory fees you pay to these asset management firms.

Clients are advised of a potential conflict of interest because Abridge Partners personnel have an economic incentive to make recommendations based upon the amount of compensation the

firm receives rather than based upon the client's needs. We will explain the specific costs associated with any recommended investments with you upon request. We also recommend no-load and load-waived mutual funds to further reduce conflicts of interest. Additionally, you have the option to purchase investment and insurance products through other brokers or agents who are not affiliated with us.

## **C.2. Insurance Sales**

Select investment adviser representatives hold state insurance licenses. This allows these individuals to recommend life insurance products such as term, whole life, universal life, and annuity contracts. Annuity products commonly have an investment component and may pay high commissions to the agent who sells the annuity. Furthermore, those individuals licensed to sell insurance products may receive benefits such as assistance with conferences and educational meetings from product sponsors. This may present a conflict of interest because they create an incentive to make recommendations based upon the amount of compensation we receive rather than based upon your needs. We will explain the specific costs associated with any recommended investments with you upon request. We also recommend no-load and load-waived mutual funds to further reduce conflicts of interest. Additionally, you have the option to purchase investment and insurance products through other brokers or agents who are not affiliated with us.

## **C.3. Birgen Asset Management, Inc.**

Robert Birgen is an owner and principal of Birgen Asset Management, Inc. Birgen Asset Management is a California-licensed insurance agency. When suitable, Mr. Birgen may offer or recommend the purchase of certain insurance products through Birgen Asset Management. These products could include life, long-term care, disability, group health, and fixed annuities insurance policies. Should you choose to purchase an insurance product from Mr. Birgen, he will be compensated as a licensed insurance agent and owner of Birgen Asset Management.

## **C.4. Wealth Guardians, Inc.**

Michael Flanagan, Jr., is the managing member of Wealth Guardians, Inc., a licensed insurance agency. As such, Mr. Flanagan may offer or recommend the purchase of certain insurance products to clients through Wealth Guardians, Inc. These products may include life and fixed annuities insurance policies.

# **D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest**

## **A.1. Callan Unified Managed Account Program**

Through the Callan/IAG platform, certain Schwab-affiliated mutual funds or individual account managers may be recommended to you. Like all mutual funds, these funds assess management and so-called 12(b)-1 fees. These 12(b)-1 fees are customarily paid to referring brokers as compensation for recommending and investing a client's funds. Due to our advisory relationship



with Schwab, we cannot receive these fees so they are retained by Schwab. In those instances where we may recommend a Schwab-affiliated investment manager, this manager will charge management fees. Any recommendation of a Schwab-affiliated mutual fund or investment manager is only made in adherence with our fiduciary duty to place your interests first. In both situations, Abridge Partners receives no compensation for such a recommendation.

For clients whose assets are on the Callan's unified managed account ("UMA") program and specifically its overlay portfolio management ("OPM") platform, Callan may reduce the annual fee owed by Abridge Partners to Callan in an amount equal to the management fees paid to Callan by clients. While the existence of such an arrangement creates an incentive for us to refer clients to managers on the OPM platform, Abridge Partners will nonetheless only make such a recommendation when suitable for client's needs. Fees paid to third-party managers on the OPM platform shall be reasonable and customary, yet may in some instances be higher than those fees paid by non-UMA clients.

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

### **A. Code of Ethics Description**

In accordance with the Advisers Act, Abridge Partners has adopted policies and procedures designed to detect and prevent insider trading. In addition, Abridge Partners has adopted a Code of Ethics (the "Code"). Among other things, the Code includes written procedures governing the conduct of Abridge Partners' advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored by the chief compliance officer of Abridge Partners. Abridge Partners will send clients a copy of its Code of Ethics upon written request.

Abridge Partners has policies and procedures in place to ensure that the interests of its clients are given preference over those of Abridge Partners, its affiliates and its employees. For example, there are policies in place to prevent the misappropriation of material non-public information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

### **B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Abridge Partners does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, Abridge Partners does not recommend any securities to advisory clients in which it has some proprietary or ownership interest.

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

Abridge Partners, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which Abridge Partners specifically prohibits. Abridge Partners has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest
- prohibit fraudulent conduct in connection with the trading of securities in a client account

- prohibit employees from personally benefitting by causing a client to act, or fail to act in making investment decisions
- prohibit the firm or its employees from profiting or causing others to profit on knowledge of completed or contemplated client transactions
- allocate investment opportunities in a fair and equitable manner
- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client.

Advisory representatives and employees must follow Abridge Partners' procedures when purchasing or selling the same securities purchased or sold for the client.

#### **D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

Abridge Partners, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for other Abridge Partners clients. Abridge Partners will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation (please refer to Item 12.B.3 Order Aggregation). It is the policy of Abridge Partners to place the clients' interests above those of Abridge Partners and its employees.

## Item 12: Brokerage Practices

### A. Factors Used to Select Broker-Dealers for Client Transactions

#### A.1. Custodian Recommendations

Abridge Partners may recommend that clients establish brokerage accounts with Charles Schwab & Co., Inc., ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although Abridge Partners may recommend that clients establish accounts at the custodian, it is the client's decision to custody assets with the custodian. Abridge Partners is independently owned and operated and not affiliated with custodian. For Abridge Partners client accounts maintained in its custody, the custodian generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the custodian or that settle into custodian accounts.

Abridge Partners considers the financial strength, reputation, operational efficiency, cost, execution capability, level of customer service, and related factors in recommending broker-dealers or custodians to advisory clients.

In certain instances and subject to approval by Abridge Partners, Abridge Partners will recommend to clients certain other broker-dealers and/or custodians based on the needs of the individual client, and taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. The final determination to engage a broker-dealer or custodian recommended by Abridge Partners will be made by and in the sole discretion of the client. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. Clients are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians.

##### A.1.a. Schwab Institutional Intelligent Portfolios™

We offer an automated investment program (the "Program") through which clients are invested in a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange-traded funds ("ETFs") and a cash allocation. We do not pay SPT fees for the Program so long as we maintain \$100 million in client assets in accounts at CS&Co. that are not enrolled in the Program. If we do not meet this condition, then we pay SPT an annual licensing fee of 0.10% (10 basis points) on the value of our clients' assets in the Program. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in the Program be maintained with CS&Co.

##### A.1.b. How We Select Brokers/Custodians to Recommend

Abridge Partners seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other

available providers and their services. We consider a wide range of factors, including, among others, the following:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear, and settle trades (buy and sell securities for client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength, and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below

#### **A.1.c. Soft Dollar Arrangements**

Abridge Partners does not utilize soft dollar arrangements. Abridge Partners does not direct brokerage transactions to executing brokers for research and brokerage services.

#### **A.1.d. Institutional Trading and Custody Services**

The custodian provides Abridge Partners with access to their institutional trading and custody services, which are typically not available to the custodian's retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain minimum amount of the advisor's clients' assets are maintained in accounts at a particular custodian. The custodian's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

#### **A.1.e. Other Products and Services**

Custodian also makes available to Abridge Partners other products and services that benefit Abridge Partners but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Abridge Partners' accounts, including accounts not maintained at custodian. The custodian may also make available to Abridge Partners software and other technology that

- provide access to client account data (such as trade confirmations and account statements)

- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide research, pricing and other market data
- facilitate payment of Abridge Partners' fees from its clients' accounts
- assist with back-office functions, recordkeeping and client reporting

The custodian may also offer other services intended to help Abridge Partners manage and further develop its business enterprise. These services may include

- compliance, legal and business consulting
- publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants and insurance providers

The custodian may also provide other benefits such as educational events or occasional business entertainment of Abridge Partners personnel. In evaluating whether to recommend that clients custody their assets at the custodian, Abridge Partners may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a potential conflict of interest.

#### **A.1.f. Independent Third Parties**

The custodian may make available, arrange, and/or pay third-party vendors for the types of services rendered to Abridge Partners. The custodian may discount or waive fees it would otherwise charge for some of these services or all or a part of the fees of a third party providing these services to Abridge Partners.

#### **A.1.g. Additional Compensation Received from Custodians**

Abridge Partners may participate in institutional customer programs sponsored by broker-dealers or custodians. Abridge Partners may recommend these broker-dealers or custodians to clients for custody and brokerage services. There is no direct link between Abridge Partners' participation in such programs and the investment advice it gives to its clients, although Abridge Partners receives economic benefits through its participation in the programs that are typically not available to retail investors. These benefits may include the following products and services (provided without cost or at a discount):

- Receipt of duplicate client statements and confirmations
- Research-related products and tools
- Consulting services
- Access to a trading desk serving Abridge Partners participants
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts)
- The ability to have advisory fees deducted directly from client accounts

- Access to an electronic communications network for client order entry and account information
- Access to mutual funds with no transaction fees and to certain institutional money managers
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to Abridge Partners by third-party vendors

The custodian may also pay for business consulting and professional services received by Abridge Partners' related persons, and may pay or reimburse expenses (including client transition expenses, travel, lodging, meals and entertainment expenses for Abridge Partners' personnel to attend conferences). Some of the products and services made available by such custodian through its institutional customer programs may benefit Abridge Partners but may not benefit its client accounts. These products or services may assist Abridge Partners in managing and administering client accounts, including accounts not maintained at the custodian as applicable. Other services made available through the programs are intended to help Abridge Partners manage and further develop its business enterprise. The benefits received by Abridge Partners or its personnel through participation in these programs do not depend on the amount of brokerage transactions directed to the broker-dealer.

Abridge Partners also participates in similar institutional advisor programs offered by other independent broker-dealers or trust companies, and its continued participation may require Abridge Partners to maintain a predetermined level of assets at such firms. In connection with its participation in such programs, Abridge Partners will typically receive benefits similar to those listed above, including research, payments for business consulting and professional services received by Abridge Partners' related persons, and reimbursement of expenses (including travel, lodging, meals and entertainment expenses for Abridge Partners' personnel to attend conferences sponsored by the broker-dealer or trust company).

As part of its fiduciary duties to clients, Abridge Partners endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Abridge Partners or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Abridge Partners' recommendation of broker-dealers such as Schwab for custody and brokerage services.

#### **A.1.h. The Firm's Interest in Custodian's Services**

The availability of these services from the custodian benefits the firm because the firm does not have to produce or purchase them. The firm does not have to pay for the custodian's services so long as a certain minimum of client assets is kept in accounts at the custodian. This minimum of client assets may give the firm an incentive to recommend that clients maintain their accounts with the custodian based on the firm's interest in receiving the custodian's services that benefit the firm's business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of client transactions. This is a potential conflict of interest. The firm believes, however, that the selection of the custodian as custodian and broker is in the best interest of clients. It is primarily supported by the scope,

quality, and price of the custodian's services and not the custodian's services that benefit only the firm.

## **A.2. Brokerage for Client Referrals**

Abridge Partners does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

## **A.3. Directed Brokerage**

### **A.3.a. Abridge Partners Recommendations**

Abridge Partners typically recommends Schwab as custodian for clients' funds and securities and to execute securities transactions on its clients' behalf.

### **A.3.b. Client-Directed Brokerage**

Occasionally, clients may direct Abridge Partners to use a particular broker-dealer to execute portfolio transactions for their account or request that certain types of securities not be purchased for their account. Clients who designate the use of a particular broker-dealer should be aware that they will lose any possible advantage Abridge Partners derives from aggregating transactions. Such client trades are typically effected after the trades of clients who have not directed the use of a particular broker-dealer. Abridge Partners loses the ability to aggregate trades with other Abridge Partners advisory clients, potentially subjecting the client to inferior trade execution prices as well as higher commissions.

## **B. Aggregating Securities Transactions for Client Accounts**

### **B.1. Best Execution**

**Discretionary versus Non-Discretionary Accounts:** For those clients who chose not to grant us investment discretion, there may be delays in the execution of investment recommendations as we will execute transactions on behalf of our discretionary clients before contacting any non-discretionary clients. While we will make every reasonable effort to mitigate the impact of this circumstance, it is possible that non-discretionary accounts may receive less favorable trade executions that might possibly result in poorer overall investment performance than those clients who grant us investment discretion. For those clients who chose not to grant us investment discretion, there may be delays in the execution of investment recommendations as we will execute transactions on behalf of our discretionary clients before contacting any non-discretionary clients. While we will make every reasonable effort to mitigate the impact of this circumstance, it is possible that non-discretionary accounts may receive less favorable trade executions that might possibly result in poorer overall investment performance than those clients who grant us investment discretion.

Abridge Partners, pursuant to the terms of its investment advisory agreement with clients, has discretionary authority to determine which securities are to be bought and sold, and the amount of such securities. Abridge Partners recognizes that the analysis of execution quality involves a



number of factors, both qualitative and quantitative. Abridge Partners will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders. These factors include but are not limited to the following:

- The financial strength, reputation and stability of the broker
- The efficiency with which the transaction is effected
- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any)
- The availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance and settlement
- Block trading and positioning capabilities
- Performance measurement
- Online access to computerized data regarding customer accounts
- Availability, comprehensiveness, and frequency of brokerage and research services
- Commission rates
- The economic benefit to the client
- Related matters involved in the receipt of brokerage services

Consistent with its fiduciary responsibilities, Abridge Partners seeks to ensure that clients receive best execution with respect to clients' transactions by blocking client trades to reduce commissions and transaction costs. To the best of Abridge Partners' knowledge, these custodians provide high-quality execution, and Abridge Partners' clients do not pay higher transaction costs in return for such execution.

Commission rates and securities transaction fees charged to effect such transactions are established by the client's independent custodian and/or broker-dealer. Based upon its own knowledge of the securities industry, Abridge Partners believes that such commission rates are competitive within the securities industry. Lower commissions or better execution may be able to be achieved elsewhere.

## **B.2. Security Allocation**

Since Abridge Partners may be managing accounts with similar investment objectives, Abridge Partners may aggregate orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by Abridge Partners in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts.

Abridge Partners' allocation procedures seek to allocate investment opportunities among clients in the fairest possible way, taking into account the clients' best interests. Abridge Partners will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

Abridge Partners' advice to certain clients and entities and the action of Abridge Partners for those and other clients are frequently premised not only on the merits of a particular investment, but also on the suitability of that investment for the particular client in light of his or her applicable investment objective, guidelines and circumstances. Thus, any action of Abridge Partners with respect to a particular investment may, for a particular client, differ or be opposed to the recommendation, advice, or actions of Abridge Partners to or on behalf of other clients.

### **B.3. Order Aggregation**

Orders for the same security entered on behalf of more than one client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders. Subsequent orders may also be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended duration exposure. All clients participating in each aggregated order will receive the average price and, subject to minimum ticket charges and possible step outs, pay a pro rata portion of commissions.

To minimize performance dispersion, "strategy" trades should be aggregated and average priced. However, when a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if Abridge Partners believes that a larger size block trade would lead to best overall price for the security being transacted.

### **B.4. Allocation of Trades**

All allocations will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each client's allocation, clients' liquidity needs and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled."

Abridge Partners acts in accordance with its duty to seek best price and execution and will not continue any arrangements if Abridge Partners determines that such arrangements are no longer in the best interest of its clients.

---

## Item 13: Review of Accounts

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

All client accounts are monitored and reviewed on an ongoing basis by the investment adviser representatives servicing the accounts. These reviews ensure that the portfolio is in line with the asset allocation model described in your written Investment Policy Statement. Where applicable, reviews will also consider the performance of independent investment advisers that may be managing your accounts.

**Third-Party Money Managers:** We may review quarterly reports to evaluate performance of each manager and the performance of the portfolio as a whole by the investment adviser representatives servicing the accounts. Performance comparisons may be made to appropriate index benchmarks and/or to groups of portfolio managers with similar style. Adjustments are made as necessary to stay within the parameters of the investment policy statement. We will contact you at least annually, or more often as agreed upon, to review your financial situation and objectives, communicate information to the third party manager managing the account as warranted, and to assist the client in understanding and evaluating the services provided by the third party manager.

Financial planning clients receive their financial plans and recommendations at the time service is completed. There are no post-plan reviews unless engaged to do so by the client.

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

Abridge Partners may perform ad hoc reviews on an as-needed basis if there have been material changes in the client's investment objectives or risk tolerance, or a material change in how Abridge Partners formulates investment advice. Account reviews may also be triggered by other factors such as changes in general economic and market conditions, analyst reports, issuer news and interest rate movement. Reviews are performed by investment advisory representatives servicing the accounts.

### C. Content of Client-Provided Reports and Frequency

You will receive statements from the custodian/broker-dealer at least quarterly. These statements identify your current investment holdings, the cost of each of those investments, and their current market values. If agreed upon, you will also receive reports from Portfolio Monitoring Services that provide detailed performance measurement and other data relating to your individual holdings in an investment portfolio.

The custodian's statement is the official record of the client's securities account and supersedes any statements or reports created on behalf of the client by Abridge Partners.

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

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

Please refer to the disclosures in Items 10 and 12 regarding referrals to third-party service providers and benefits the firm receives from its custodian(s). Abridge Partners may receive economic benefits for referring clients to third-party service providers. You are under no obligation to utilize any service provider recommended to you by Abridge Partners or its affiliates.

For clients whose assets are on the Callan's unified managed account ("UMA") program and specifically its overlay portfolio management ("OPM") platform, Callan may reduce the annual fee owed by Abridge Partners to Callan in an amount equal to the management fees paid to Callan by clients. While the existence of such an arrangement creates an incentive for us to refer clients to managers on the OPM platform, Abridge Partners will nonetheless only make such a recommendation when suitable for client's needs. Fees paid to third-party managers on the OPM platform shall be reasonable and customary, yet may in some instances be higher than those fees paid by non-UMA clients.

### **B. Advisory Firm Payments for Client Referrals**

Abridge Partners does not pay for client referrals.

## Item 15: Custody

Abridge Partners is considered to have custody of client assets for purposes of the Advisers Act for the following reasons:

- The client authorizes us to instruct their custodian to deduct our advisory fees directly from the client's account. Individual advisory clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances, and portfolio holdings in their accounts. Abridge Partners urges its clients to compare the account balance(s) shown on their account statements to the quarter-end balance(s) on their custodian's monthly statement. The custodian's statement is the official record of the account.
- Our authority to direct client requests, utilizing standing instructions, for wire transfer of funds for first-party money movement and third-party money movement (checks and/or journals, ACH, Fed-wires). The firm has elected to meet the SEC's seven conditions to avoid the surprise custody exam, as outlined below:
  1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
  2. The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
  3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
  4. The client has the ability to terminate or change the instruction to the client's qualified custodian.
  5. The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
  6. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.
  7. The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.

## **Item 16: Investment Discretion**

Clients may grant a limited power of attorney to Abridge Partners with respect to trading activity in their accounts by signing the appropriate custodian limited power of attorney form. In those cases, Abridge Partners will exercise full discretion as to the nature and type of securities to be purchased and sold, and the amount of securities for such transactions. Investment limitations may be designated by the client as outlined in the investment advisory agreement.

Third-Party Investment Managers: In circumstances where we recommend third-party investment managers, trading authorization will be granted to the manager consenting to the execution of securities transactions for these clients without prior notification.

## Item 17: Voting Client Securities

Abridge Partners does not take discretion with respect to voting proxies on behalf of its clients. Abridge Partners will endeavor to make recommendations to clients on voting proxies regarding shareholder vote, consent, election or similar actions solicited by, or with respect to, issuers of securities beneficially held as part of Abridge Partners supervised and/or managed assets. In no event will Abridge Partners take discretion with respect to voting proxies on behalf of its clients.

Except as required by applicable law, Abridge Partners will not be obligated to render advice or take any action on behalf of clients with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. Abridge Partners has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. Abridge Partners also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, Abridge Partners has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where Abridge Partners receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials to the client. Electronic mail is acceptable where appropriate and where the client has authorized contact in this manner.

## **Item 18: Financial Information**

### **A. Balance Sheet**

Abridge Partners does not require the prepayment of fees of \$1200 or more, six months or more in advance, and as such is not required to file a balance sheet.

### **B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

Abridge Partners does not have any financial issues that would impair its ability to provide services to clients.

### **C. Bankruptcy Petitions During the Past Ten Years**

There is nothing to report on this item.