



441 Defense Highway
Suite C
Annapolis, MD 21401
(888) 870-7674
www.Manage401K.com
February 6, 2015

This Brochure provides information about the qualifications and business practices of Retirement Management Systems LLC (RMS). If you have any questions about the contents of this Brochure, please contact us at (888) 870-7674. 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.

Retirement Management Systems is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Retirement Management Systems also is available on the SEC's website at www.adviserinfo.sec.gov. Our firm IARD/CRD number is 150351.

Material Changes

At least annually, this section will discuss only specific material changes that are made to the Retirement Management Systems Brochure and provide you with a summary of such changes. Additionally, reference to the date of the last annual update to this Brochure will be provided.

On March 1, 2015, RMS is implementing a revised fee structure for our Savings Plan Management service. Rather than predominantly charging a flat fee for the service, we are implementing an asset based fee to more accurately reflect the fee structures of our soliciting investment advisor representatives. The fee structure will apply to the majority of clients, however some clients may remain on the flat fee schedule.

The allowed timeframe for termination of the Agreement has been changed to thirty (30) days for both new clients and clients renewing the Agreement for another term.

The minimum dollar amount charged for Plan Sponsor Consulting Services is now \$1,500.

Table of Contents

Material Changes	2
Table of Contents	3
Advisory Business	4
Fees and Compensation	6
Performance-Based Fees and Side-by-Side Management.....	7
Types of Clients.....	7
Methods of Analysis, Investment Strategies and Risk of Loss	7
Disciplinary Information	9
Other Financial Industry Activities and Affiliations	9
Code of Ethics	9
Brokerage Practices	10
Review of Accounts	10
Client Referrals and Other Compensation	11
Custody.....	11
Investment Discretion	11
Voting Client Securities.....	12
Financial Information.....	12
Business Continuity Plan.....	12
Information Security Program	12

Advisory Business

Firm Description

Retirement Management Systems LLC (RMS) is an independently owned and operated investment advisory firm. Established in 2008 as a corporation, Retirement Management Systems registered with the U.S. Securities and Exchange Commission (SEC) in February 2010. In January 2014, Retirement Management Systems changed its organizational structure to a Limited Liability Company.

RMS is in the business of providing investment advisory services in the qualified retirement plan marketplace. We offer:

-
- Savings Plan Management services to individual clients
- Consulting services to plan sponsor clients
- Educational Seminars

Our individual clients are people contributing to and investing through their employer-sponsored defined contribution retirement plan. We may also have retirement plan sponsors as clients.

Principal Owners

RMS is privately owned. J. Michael Scarborough is majority owner.

Savings Plan Management

Our Savings Plan Management service is offered to individual clients through a relationship with other Registered Investment Advisers (RIAs) and their Investment Advisor Representatives (IARs). These partners may introduce clients to our service in either a Solicitor or a Sub-Advisor role. Clients may hire these professionals for other services outside the scope of Savings Plan Management on an as-needed basis. In the unlikely event that conflicts of interest occur, we will disclose them to clients.

Individual Clients are those people participating in defined contribution plans (e.g., 401(k), 403(b), 457), where the person is responsible for selecting the investments that will help him or her save for retirement. Often these people are in need of help in selecting, implementing and monitoring an investment program for their defined contribution

plan savings. Savings Plan Management offers that support.

As a part of the Savings Plan Management program, RMS:

- researches the investment options available within a Client's defined contribution plan
- develops an appropriate investment strategy based on one of seven investment models that cover a range of risk and return characteristics from conservative to aggressive
- implements the investment strategy agreed upon by the Client
- reallocates the strategy to reflect changing market and economic conditions, while staying within the parameters of risk and return selected by the Client
- rebalances the strategy to maintain the appropriate balance of risk and return characteristics within the strategy
- communicates with the Clients and their Investment Adviser Representatives regarding research findings, reallocation strategies, and retirement planning

Discretionary Asset Management

Clients grant RMS limited discretionary trading authority to conduct trading for the account in which the Client assets are held, and at Client's risk, to purchase, sell, exchange, and otherwise trade the account assets in accordance with the Investment Policy Statement provided to the Client. Clients may impose reasonable restrictions on investing in certain securities or types of securities.

RMS does not represent, warrant or imply that the services or methods of analysis used can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses. No guarantees can be offered that Client's goals or objectives will be achieved.

Clients authorize RMS to access their account using the Client's personal identification and password. Under no circumstances will RMS facilitate loans from the account or redeem, withdraw, disperse, or distribute funds from the Account. RMS takes precautions to safeguard

Client's personal identification and password. However, depending on the functions allowed by the Plan's custodian website, unauthorized access to the Client's account could result in adverse consequences, including distributions, loans, address changes, and beneficiary changes.

Additionally, RMS may not maintain a formal relationship with the Client's defined contribution custodian/recordkeeper and, as such, these companies provide no oversight of RMS's Client account access.

Individual Clients wishing to engage RMS for the provision of its investment advisory services must complete RMS's advisory agreement documents. Upon completion, RMS will be considered engaged by the Client. The term of engagement will be an ongoing term, as set forth in the Agreement. Clients will be responsible for ensuring that RMS has been informed of changes in investment objectives and risk tolerance.

Termination of Agreement

Upon termination of the Agreement by either party, the power of attorney in Section III of the Agreement shall be revoked, RMS will not be under any obligation to provide further services with regard to Client assets, and Client will be solely responsible for the investment of the Client assets. Client agrees that any termination of the Agreement will not affect the liabilities or obligations of the parties under the Agreement which arise from transactions initiated prior to termination, including the provisions regarding arbitration, which shall survive any termination of the Agreement.

Plan Sponsor Consulting Services

RMS also offers investment advisory services directly to plan sponsors. Acting in a fiduciary capacity, RMS offers services from recommending investments for a retirement plan to discretionary services of selecting an investment line-up for retirement plans. Plan sponsors can choose from three types of fiduciary services:

- 3(21) Non-Discretionary Investment Advisory Services - RMS will review, monitor and recommend investments for the retirement plan based on a prudent investment selection process that follows an Investment Policy Statement developed in conjunction with the Plan Sponsor. Plan sponsors will approve and implement the

recommendations.

- 3(38) Discretionary Investment Management Services - The plan sponsor directs RMS to take full responsibility and discretion over the selection, monitoring, replacement, and implementation of the plan's investment options.
- 3(38) Plus Discretionary Investment Management Services with Managed Accounts - Similar to 3(38) service, 3(38) Plus also includes risk-based portfolios that give participants pre-constructed, diversified allocations that match their investment timeframe and tolerance for risk. Portfolios may be used as a qualified default investment alternative (certain conditions apply) or voluntarily by participants under the guidance of a financial advisor.

Plan Sponsor Clients wishing to engage RMS for the provision of its consulting services must complete RMS's agreement documents. Upon completion, RMS will be considered engaged by the Plan Sponsor. The term of engagement will be an ongoing term, as set forth in the Agreement.

Termination of Agreement

Either party may terminate this Agreement upon thirty (30) days prior written notice to the other party. Such termination will not, however, affect the liabilities or obligations of the parties arising from transactions initiated prior to such termination, and such liabilities and obligations (together with the provisions of the agreement) shall survive any expiration or termination of this Agreement.

Educational Seminars

RMS also provides investment education seminars as a service to financial advisors, individual clients, prospective clients and/or plan sponsors. These seminars are intended to help individual employees better understand their company's qualified savings plan, and include information about the plan structure, the merits of saving and investing, the general asset classes available, the specific investment options in the plan, income tax considerations, and plan rules regarding loans, withdrawals and distributions.

Assets Under Management

As of January 31, 2015, RMS managed \$972.9 million in discretionary assets across 2,798 accounts.

Fees and Compensation

Savings Plan Management

RMS charges a Savings Plan Management program Fee to each Client. To offer the program, Investment Advisor Representatives may be required to pay an Enrollment Fee of \$1,000 to RMS. RMS is currently waiving the Investment Advisor Representative Enrollment Fee but may reinstitute it at any time at its discretion.

Client will pay an annual Program Fee, the exact terms of which are negotiated with the Investment Advisor Representative. RMS retains a portion of the Client Program Fee for its services. The Investment Advisor Representative receives the remaining portion as a Solicitors fee.

RMS's fee may be an annual fixed fee ranging from \$100 to \$1,500 or an annual assets-under-management fee ranging from 0.10% to 0.85% per year.

RMS will calculate its fee at the time of enrollment in the program (the Anniversary Date). The calculated annual fee may be paid monthly, quarterly or annually in advance.

The Client may be billed by the Investment Advisor Representative or by RMS. If RMS processes the billing, we will notify the Client each year on the anniversary of the Agreement and begin the process for charging the Program Fee for the subsequent year. Investment Advisor Representative and RMS reserve the right to adjust the Program Fee upon renewal of the Agreement, at which time Client will have the opportunity to renew at the new fee or terminate the Agreement.

Program Fees may be negotiated and may differ from Client to Client based upon a number of factors, including, but not limited to, the application of prior fee schedules, participation in other programs of Investment Advisor Representative or RMS, or participation of spouses in such programs.

Certain states require that all investment advisers disclose to their advisory Clients that (1) lower fees for comparable services may be available from other sources and (2) that all material conflicts of interest

have been disclosed to the Client in writing (via the disclosure provided in this Brochure), which relate to the Registered Investment Adviser or any of its employees which could cause the Registered Investment Adviser to not render unbiased and objective advice.

Investment Company Fees and Disclosures

Client understands that each investment company in which the Client Assets may be invested, including, but not limited to, funds and certain other securities (such as ADRs and REITs), may bear its own investment advisory fees and other expenses, which are described in the applicable prospectus and may be borne proportionately by shareholders, including Client. Such fees and expenses are in addition to Program Fees paid and will not be reflected on RMS' documents.

Other Fees

Program Fees cover the services described in the Agreement provided by RMS and Investment Advisor Representative, but do not cover execution and custodial services provided by Plan Administrator or any other Plan expenses or fees. The Program Fee is in addition to any fees the Plan charges its participants, including any fees for similar investment advisory services that may be available to plan participants.

While RMS endeavors to avoid any fees associated with transactions within the account, it cannot guarantee those fees will not be assessed. RMS is not responsible for any transaction fees.

Client may terminate their agreement at will upon providing written notice. The termination of the agreement does not affect Client's obligation to pay the annual fee. A pro-rated refund may be applied at the discretion of RMS.

Client has the right to terminate their agreement without penalty within thirty (30) days. If Client terminates the agreement within thirty (30) days, Client will receive a full refund of any Program Fee collected for that term.

Plan Sponsor Consulting Services

Pricing is negotiable on a plan by plan basis and ranges from 0.05% to 0.50% of plan assets. The minimum dollar amount is \$1,500. Fees are billed quarterly in advance. Fees may be deducted from plan assets upon authorization from the plan sponsor to the plan record keeper or other custodian of plan assets. Otherwise, fees may be billed directly to the plan sponsor.

Plan sponsor consulting fees are determined in advance with the plan sponsor. The fees will vary based on the scope of services to be performed. RMS and the plan sponsor will enter into a written agreement outlining the desired services, the advisory fee, and payment arrangements. When required by ERISA, we will provide additional disclosures regarding our services and fees.

Unless agreed to by the parties, RMS will not receive any other compensation, direct or indirect, for its Fiduciary Services under the Agreement or, if RMS or

an affiliate receives any other compensation for such services, RMS or the affiliate will offset that compensation against stated fees.

Educational Seminars

The fees charged for the investment education seminars range from zero to \$10,000, plus the reimbursement of all expenses. The fee is negotiated for each seminar, and depends on the seminar sponsor, the length of the seminar, the complexity of the plan being described, and the number of expected seminar participants. The fee is due and payable immediately following the seminar presentation; typically an initial retainer will be requested which is negotiated with each seminar client. Expense reimbursement will be due and payable within 30 days from the date of invoice. Typically, seminars are not cancelled once contracted for. Should a client cancel the seminar, RMS will negotiate with the client a refund of any pre-paid, unearned fees.

Performance-Based Fees and Side-by-Side Management

RMS does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client).

Types of Clients

RMS provides investment advisory services to individuals, high net worth individuals, corporations, and pension/profit sharing plans.

Generally speaking, there are no conditions a Client must meet in order for RMS to accept them as a Client. However, certain defined contribution plans contain provisions and/or investment options that make Savings Plan Management an unrealistic

option for the Client. For example, a defined contribution plan may contain proprietary investment options for which we cannot complete the appropriate due diligence process. Furthermore, certain defined contribution plans, being regulated by the Employee Retirement Income Security Act of 1974 (ERISA), may expressly prohibit services such as Savings Plan Management for its participants.

Methods of Analysis, Investment Strategies and Risk of Loss

Investing in securities involves risk of loss that Clients should be prepared to bear.

RMS endeavors to work with any investment option available to Clients within their defined contribution

plan. Normally, these options include equity and fixed income mutual funds. However, an occasional defined contribution plan may include a trust that invests solely in the sponsoring company's individual stock. In those instances, assuming information

about the stock is readily available for analysis, we can include those investments in our advisory services.

In addition to annual reports, prospectuses, filings with the SEC, financial newspapers and magazines, RMS also receives a variety of information and research from mutual fund companies. Some of these companies may have a mutual fund included as an investment option within Clients' defined contribution plans. The information and research we receive from those companies is commingled with our other sources of information so that we strive to devise the most prudent solution for the Clients' investment strategies. In addition, we review any potential conflicts of interest of outside analysts used for research purposes.

Independence

RMS is an independent adviser with no affiliations to mutual funds, banks, or insurance companies. We believe this gives us the ability to provide objective advisory services, free of the conflicts of interest that plague many firms in the defined contribution industry. We employ the services of LSA Portfolio Analytics, Inc. to generate seven model portfolio allocations ranging from Conservative to Aggressive. LSA Portfolio Analytics, Inc. is an independent, non affiliated firm.

Computer-Based Analysis

Our research and portfolio construction processes are supported by the latest software analytics. We use asset allocation optimization tools that can analyze and model many investment options and indices.

Disciplined, Consistent Approach

By maintaining a disciplined approach to investing, our portfolios capture the benefits of long-term equity exposure without the detrimental effects often associated with market timing strategies.

We begin our disciplined process by constructing seven portfolio models ranging from conservative to aggressive. These models are suitable for most investors, whether they are conservative, moderate or aggressive. They focus on reducing short-term volatility and chance of loss while giving the investor the opportunity to outpace inflation in both the short and long run.

Investment Allocation Process

RMS uses the generally accepted principles of asset allocation to construct diversified portfolios that have efficient characteristics of risk and return.

Although return is the first thing on most investors' minds, we spend significant time evaluating the volatility of various investment options and how they behave when combined. While there are usually some risk-reducing advantages to combining different asset types, the real goal of diversification is to combine assets in such a way as to achieve the least amount of risk for a given level of expected return. Therefore, we construct portfolios that have efficient risk and reward characteristics.

Researchers have shown how an investor can reduce the standard deviation (risk as measured by volatility) of portfolio returns by choosing assets that do not move exactly together. When graphing standard deviation against expected return, we can view the efficiency of a portfolio.

Risk of Loss

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

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e.

interest rate). This primarily relates to fixed income securities.

- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a

standardized product. For example, Treasury Bills are highly liquid, 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.

For a more complete discussion of the RMS investment methodology, please email johnblamphin@manage401k.com and request our Investment Allocation Process paper.

Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the

integrity of our management. There are no reportable disciplinary events relating to our firm and/or our management personnel.

Other Financial Industry Activities and Affiliations

RMS is majority owned by J. Michael Scarborough. Certain advisory representatives may serve in the capacity of investment advisory representatives or registered representatives for other firms. John Blamphin, Chief Operating Officer and Chief Compliance Officer of RMS, provides advisory services as an Investment Advisor Representative of Scarborough Capital Management (SCM). In addition, he offers securities to his individual clients through SII Investments, an independent broker dealer and member of FINRA and SIPC.

Because of the separation of operational activity between RMS and SCM, we see no material conflicts of interest that would be to the detriment of individual Clients or our Investment Advisor Representative relationships.

Code of Ethics

RMS has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised

persons at RMS must acknowledge the terms of the Code of Ethics annually, or as amended.

RMS anticipates that, in appropriate circumstances, consistent with Clients' investment objectives, it will cause accounts over which RMS has management authority to effect, and will recommend to investment advisory Clients or prospective Clients, the purchase or sale of securities in which RMS, its affiliates and/or Clients, directly or indirectly, have a

position of interest. RMS's employees and persons associated with RMS are required to follow RMS's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of RMS and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for RMS's Clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of RMS will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of RMS's Clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to Client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Employee trading is continually monitored under the

Code of Ethics to reasonably prevent conflicts of interest between RMS and its Clients.

RMS's Clients or prospective Clients may request a copy of the firm's Code of Ethics by contacting John Blamphin at (888) 870-7674.

In delivering the Savings Plan Management program, Clients may also engage the advisory services of another Investment Advisor Representative and are encouraged to review the potential conflicts of interest disclosed by that Investment Advisor Representative. RMS is not responsible for any conflicts of interest inherent from other Investment Advisor Representatives.

RMS has a fiduciary duty to Clients to act in the best interest of the Client and always place the Client's interests first and foremost. RMS takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as RMS' policies and procedures. Further, RMS strives to handle Clients' personal data in such a way to protect information from falling into hands that have no business reason to know such information.

Brokerage Practices

RMS is not in a position to select or recommend broker-dealers for Client transactions. Investment discretion exercised by RMS is limited to the investment options available within the Client's defined contribution account. RMS is bound to the provisions of the plan and can only move assets among the investment options available in the plan.

RMS does not evaluate or otherwise ensure best execution of the timing of transactions. Transactions in any specific investment may be executed at different times and prices for different Client accounts.

Review of Accounts

Savings Plan Management

Asset class model portfolios are reviewed regularly at the time we meet for our quarterly investment committee. These model portfolios span seven different risk levels and investment objectives.

Investment options available within the defined contribution plans in which our Clients are participating are allocated to the model portfolios and reviewed on a quarterly basis. Individual Client

portfolios are reviewed quarterly from the date they enrolled in the Savings Plan Management service. In addition to quarterly reviews, a review could be triggered by a pre-determined change in the value of an asset class.

Investment Advisor Representatives who recommend RMS for managing their Clients' defined contribution accounts are responsible for ensuring that the Client's risk tolerance and financial situation

are consistent with the portfolio that RMS is managing.

RMS may send to Clients a quarterly report of their account activity. These reports show the name of the Client's Investment Advisor Representative but are not meant to replace the quarterly statements that the client will receive from the qualified custodian of their defined contribution account.

Plan Sponsor Consulting Services

Plan sponsors to which we provide consulting services will receive investment reports at least annually. These reports monitor the investment options recommended to or implemented within the retirement plan.

Client Referrals and Other Compensation

RMS compensates Investment Advisor Representatives who engage Clients for the Savings Plan Management service.

RMS offers a flexible compensation arrangement for Investment Advisor Representatives who introduce Clients to the program. Clients can negotiate their fee with the introducing Investment Advisor Representative. RMS retains a set portion of that negotiated fee and the introducing Investment Advisor Representative retains the rest as a Solicitors fee.

All Investment Advisor Representatives who introduce Clients must be registered as Investment

Advisor Representatives in their appropriate states, where required. However, RMS has no responsibility associated with the registration and/or licensing requirements for the introducing Investment Advisor Representatives. In addition, they are required to sign our Solicitation Agreement that outlines their relationship with RMS. Clients receive a copy of the Solicitor Disclosure upon execution of the advisory agreement with RMS.

RMS receives additional indirect compensation in the form of research and portfolio allocation studies from LSA Portfolios, an independent research firm in Kansas City, MO.

Custody

All assets are held at qualified custodians selected by the defined contribution plan provider and/or plan sponsor. The qualified custodians provide account statements directly to Clients at their address of record at least quarterly. RMS urges Clients to carefully review such statements and compare such official custodial records to the account statements that we may provide. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Our data is aggregated through the services of CashEdge.

In certain instances, the SEC may deem RMS to have custody of Client assets due to our ability to access Client accounts through the limited power of attorney privileges within the advisory agreement. Because of this, RMS undergoes an annual audit of Client accounts. This audit is conducted by an independent Certified Public Accountant with the appropriate qualifications to manage such an audit.

Investment Discretion

RMS accepts discretionary authority to manage securities accounts on behalf of Clients. RMS 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.

RMS does not receive any portion of the transaction fees or commissions paid by the Client to the custodian. Discretionary trading authority facilitates placing trades in Client accounts so that we may promptly implement the investment policy that Clients have approved in writing.

A limited power of attorney is a trading authorization for this purpose. Clients sign a limited power of attorney so that we may execute the trades, subject to the limitations of the agreement and the defined contribution plan.

In all cases, such discretion is exercised in a manner consistent with the stated investment objectives for the particular Client account. Investment guidelines and restrictions must be provided to RMS in writing.

Voting Client Securities

As a matter of firm policy and practice, RMS does not have any authority to and does not vote proxies or class-action lawsuits on behalf of advisory Clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in Client portfolios. RMS may provide advice to

Clients regarding the Clients' voting of proxies and will disclose any potential conflicts of interest that may exist.

Financial Information

RMS has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.

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

Business Continuity Plan

RMS has a Business Continuity/Disaster Recovery Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

The Business Continuity/Disaster Recovery Plan covers natural disasters such as snow storms, hurricanes,

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

Information Security Program

RMS is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us. RMS holds all personal information provided in the strictest confidence. These records include all personal information that RMS collects from

Clients or receives from other firms in connection with any of the financial services it provides. RMS also requires other firms with whom it deals to restrict the use of Client information.

RMS follows various procedures for safeguarding Client data. Some of the procedures include a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment, locked file cabinets, restricted access to Client files, password protected files, destruction of account access information for terminated Clients, and password/PIN # changes when employees with access to such information terminate employment.

We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and

state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a Client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.